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*#11*  
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**GROUP 3600**

TO:

**Official**

Ms. Natalie A. Pass, Examiner  
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Patent Office  
Washington, D.C. 20231

Application No. 09/945,467

I have attempted to satisfy the need for better coordination of my description material, as enclosed, and hope you find this workable. It would replace pages 10-29 of the application. I removed the old page numbers and marked a new set of numbers in pencil on the back of the pages, in case they get out of place.

One new form, Purchase Menu, Fig. 2 has been added in support of the One Page Purchasing System Workflow Chart, Fig. 1, to illustrate the approach to researching the need and direction for the purchase document, and help complete the description.

The system is characteristically simple, with one key document, recognizing its content for action, with a confirmation at each point, and not encumbered with a massive amount of details which might normally accompany a patent application.

Please let me know if this can fulfill our needs, and what else I can do.

Thanks for your continued assistance.

With Best Regards.

*Harold Hynes*

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## DETAILED DESCRIPTION

These details are shown here in two forms: (1) a set of workflow charts, order documents and worksheets, FIG. 1-15 and (2) a descriptive listing of software to support the different locations of actions operating in the One Page Purchasing System. FIG. 16.

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The workflows contain a chart summarizing the total system, FIG. 1, entitled "One Page Purchasing System", which shows the process of seeking resources to initiate a purchase document, and select the type of document required, from the Purchase Menu, FIG.2, followed by graphic directions to individual workflow charts.

Additional workflow charts represent each of the three possible document types, (1) Items Over \$\_\_\_\_\_, PD, FIG. 3, (2) Purchase Short Orders PSO, Items Under \$\_\_\_\_\_, FIG. 4, and (3) Contract Purchases CP FIG. 5. These charts chronologically describe each step in the system, with graphics showing the location direction of actions between each step.

A different order document is used for each of the three forms of workflow charts: PD – FIG. 6, PSO – FIG.7, and CP – FIG. 8.

Eight Locations of Action are used in the workflow charts to graphically illustrate the transition of the One Page document, from the Requirer to the Permanent File, and are easily recognized except for PTA, which is the Purchase Tracking and Action System, representing the focal point control for the entire purchasing segment of the system.

In support of the PD System, FIG. 3 & 6 is a choice of a Purchase Worksheet-Fixed Assets, FIG. 9, or Purchase Worksheet – Expense Items FIG. 10.

In support of the CP System, FIG. 5 & 8, is a Contract Purchase Worksheet FIG. 11.

At each point of action, the One Page is documented for recognition of completion, with appropriate dates and electronic signatures.

A time schedule is maintained for each document's action and upon default a follow up system goes into effect.

Also, at any point of action, any reason for not continuing the document is anticipated by an Action Change Request form, FIG. 12, which is completed and with the document, is reversed in the system for any correction needed to the document.

In addition, the payment process, paying from the purchaser's bank to the vendor's bank is referred to as Treasurer's Vendor Payment Computer System (TC) and is described in a workflow chart, Workflow of Vendor Payment System, FIG. 13. The Location of Action comprises eight positions of action, starting with the PTA sending the payment advice to the payer's bank, either on line for large activity or by use of a Vendor Remittance Sheet, FIG. 14, and the TC System picking up the action to provide the necessary cash and ending with TC making the necessary accounting entries and advising vendor of the payment made, in the form of a Statement, FIG. 15, then sending the document back to PTA and Permanent File.

The descriptive list of software is shown here as Computer Programs for the One Page Purchasing System, FIG. 16, and closely follows the Location of Actions described earlier. They are grouped as:

- A. Resources
- B. Purchase Tracking and Action System
- C. Vendor Payments
- D. Permanent and Storage Files
- E. Security and Auditing
- F. Management Reports

The various components referred to above, are contained in the following referenced pages.

# One Page Purchasing System

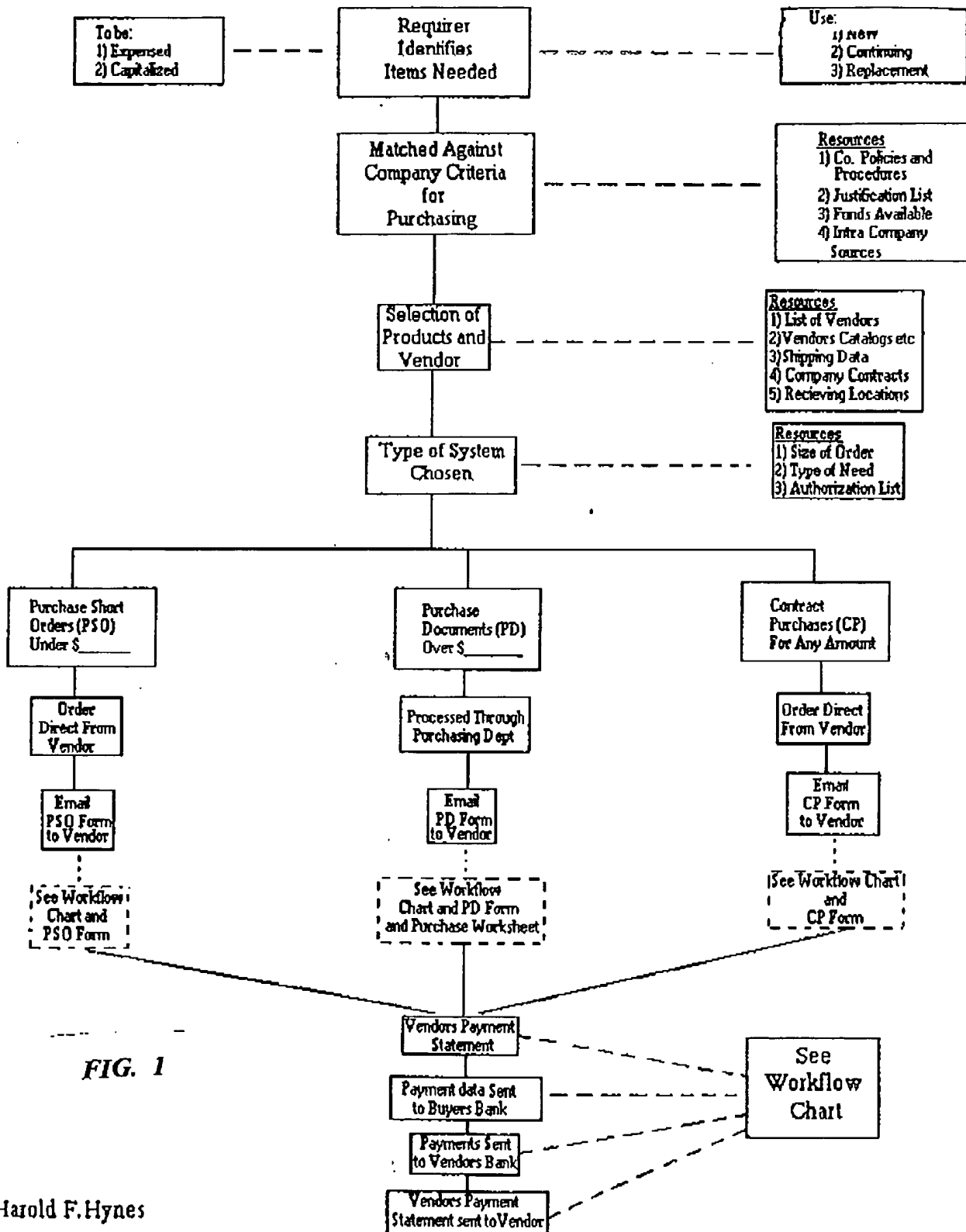


FIG. 1

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**ONE PAGE PURCHASING SYSTEM**  
**Purchasing Menu**

---

Click once for need - Click again to void ( ) Return to Desk Top

---

- ( ) Company Purchasing Policies
- ( ) Purchasing Procedures
- ( ) Purchasing Authorizations
- ( ) Purchasing Organization and Personnel
- ( ) Receiving Organization and Personnel
- ( ) Payment Organization and Personnel
- ( ) Justification Criteria
- ( ) My Active Vendor Data
- ( ) New Purchase Search Form
- ( ) My Purchase Worksheet in Process
- ( ) My Orders in Process
- ( ) My Orders Behind Schedule
- ( ) My Purchase Documents Being Changed

**SURPLUS CONTROL**

- ( ) Excess Fixed Assets
- ( ) Excess Inventories
- ( ) Similar Product Ordered in Past 30 Days
- ( ) Similar Product Orderers

**VENDOR DATA BASE**

- ( ) Alphabetical Listing of Vendors
- ( ) List of Open Contracts
- ( ) Product Listing With Sources
- ( ) Company Electronic Source Catalog
- ( ) My Open Orders
- ( ) My Last 30 Day Purchases - By Date
- ( ) My Completed Orders - 2 Years, By Date
- ( ) My Completed Orders - 2 Years, By Vendor

**COST CONTROL**

- ( ) My Fixed Asset Purchases - Yr. to Date, vs. Budget
- ( ) My Expense Purchases - Yr. to Date, vs. Budget
- ( ) My Net Purchase Price Cost Increase- This Year Over Last Year

**ACCOUNTING DATA BASE**

- ( ) Chargeable Fixed Asset Accounts
  - ( ) Chargeable Expense Accounts
  - ( ) Depreciation Accounts
- 

**FIG. 2**

## ONE PAGE PURCHASING SYSTEM

Workflow of Purchase Document (PD) - Items Over \$ \_\_\_\_\_

Action	Location of Action							
	Requirer	PTA*	Purch Dept	vendor	Receiving	Acct.	Follow up	Perm. File
1. Need for item is determined by Requirer	X							
2. Need matched against policies & criteria	X							
3. Identify right purchasing system to use	X							
4. Complete one of two Purchase Worksheets	X							
5. Tentative selection of product and source	X							
6. Prepare Purchase Document (PD)	X							
7. Requirer signs PD and sends to Purchasing	X			X				
8. Purchasing finalizes PD			X					
9. Purchasing assigns number and signs PD			X					
10. Purchasing places PD in Purchase Tracking and Action System PTA		X						
11. PTA sets up PD in Follow up and Permanent Systems, with number control					X		X	X
12. PTA sends PD to vendor				X				
13. If confirmation requested. Vendor acknowledges, sending PD to PTA				X				
14. Vendor fills order, assigns invoice number, and/or signs PD and sends it to PTA				X				
15. Vendor prepares bar code label showing PD and Invoice numbers				X				
16. Vendor attaches label to outside of shipment and ships to Receiving				X	X			
17. PTA sends PD to Receiving, anticipating receipt of shipment					X			
18. Receiving lists PD in work calendar					X			
19. PTA lists number of PD in Follow up with anticipated date of receipt							X	
20. Receiving upon delivery of shipment uses hand held reader-computer to secure PD						X		
21. Receiving checks items, noting on PD						X		
22. Upon verification, Receiving signs PD and sends it to PTA				X				
23. PTA notes delivery in Follow up							X	

FIG. 3

ONE PAGE PURCHASING SYSTEM								
Workflow of Purchase Document (PD) - Items Over \$_____ cont.								
Action	Location of Action							
	Requirer	PTA	Purch Dept	vendor	Receiving	Acct.	Follow up	Perm. File
24 PTA Sends PD to Requirer re. delivery	X←---	X						
25. Requirer checks items, signs and sends To PTA	X---→	X						
26.PTA notes Requirer acceptance in Follow up and Permanent Files					X-----→	X-----→	X	
27. PTA records charges & credits in accounting system					X-----→	X		
28. PTA lists PD with other vendor's PDs ready for scheduling payment								X (Sent to Vendor Payment System)

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## ONE PAGE PURCHASING SYSTEM

Workflow of Purchase Short Orders (PSO) - Items Under \$ \_\_\_\_\_

Action	Location of Action							
	Requirer	PTA	Purch Dept	vendor	Receiving	Acct.	Follow up	Perm. File
1. Need for item is determined by Requirer	X							
2. Need matched against policies & criteria	X							
3. Select PSO form for purchase	X							
4. Select product and source	X							
5. Prepare PSO	X							
6. Secure PSO number	X							
7. Sign, if authorized, or get approved	X							
8. Place PSO in Purchase Tracking and Action System (PTA)	X	----->	X					
(continue with steps 10 - 28 for Workflow of Purchase Document (PD) - Items over \$ _____ except substitute PSO for PD)								

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**FIG. 4**

## ONE PAGE PURCHASING SYSTEM

## Workflow of Contract Purchases (CP)

Action	Location of Action					
	Requires	PTA	Purch Dept	vendor	Receiving Acct.	Follow up Perm. File
1. Need for item is determined by Requirer	X					
2. Need matched against policies & criteria	X					
3. Prepare Contract Purchase Worksheet for order over \$ _____	X					
4. Select CP form for purchase	X					
5. Select product and source	X					
6. Prepare CP	X					
7. Secure CP number	X					
8. Sign, if authorized, or get approved	X					
9. Place CP in Purchase Tracking and Action System (PTA)	X ↔	X				
(continue with steps 10-28 for Workflow of Purchase Document (PD) – items over \$ _____ except substitute CP for PD.						

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FIG. 5

[illegible]

**FIG. 6**

**Notes** Vendor's assignment of invoice number shown above confirms acceptance of order and amount  
For possible changes needed, delete your action dot and previous action dot, to view Action Change Request form.



Contract Purchase (CP) No.						To: Address:  Email:	Vendor's Invoice No. Attention Our Acct No.									
From:								Address								
Our Email to:								Attention								
Receipt Verif.		Description	Your catalog no.	No. of Order Units	Unit Price			Total Cost								
					Gross	% ds	Net									
<input type="radio"/>																
<input type="radio"/>																
<input type="radio"/>																
<input type="radio"/>																
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<input type="radio"/>																
<input type="radio"/>																
<input type="radio"/>																
Send order to:						Total										
Via:	Attention:					Shipping and Handling										
Charge Acct.			Shipping Paid by			Duties etc										
			Requires Delivery by			Sales Tax										
			Mark Bar CodeLabel CP & Invoice No.			Total										
Use for Items:( / ) New		Continuing	Replacement	Dept												
Location					Requirer											
Contract Dates From					to	Vendor Rep.										
Date Received	Action	Completed By			Type Name	Signature		Date	To Next Action							
	Reqirer prepares CP								<input type="radio"/>							
	Vendor confirms CP								<input type="radio"/>							
	Vendor ships items								<input type="radio"/>							
	Recieving Verifies Items								<input type="radio"/>							
	Reqirer Approves Items								<input type="radio"/>							
									<input type="radio"/>							
CP Sched for Payment on		Verf.	<input type="radio"/>	Vendors Statement to be Sent				Verf.	<input type="radio"/>							
Security Reviewed by		Date				Ref.										
Audit Reviewed by		Date				Ref.										
Make Payment to Vendor's Bank		Address														
Wire Address		Vendor's Bank Account No.														

FIG. 8

## Notes

**Vendor's assignment of invoice number shown above confirms acceptance of order and amount.**

For possible changes needed, delete your action dot and the previous action dot, to view Action Change Request form.

## PURCHASE WORKSHEET - FIXED ASSETS

PD No. \_\_\_\_\_ PW \_\_\_\_\_  
(orders over \$ \_\_\_\_\_)

Items to be Secured \_\_\_\_\_  
 Where Will They be Used \_\_\_\_\_  
 Shipping Requirements: Urgency \_\_\_\_\_ Size \_\_\_\_\_ Weight \_\_\_\_\_ Shipper \_\_\_\_\_  
 Type of Order: Replacement \_\_\_\_\_ New Use \_\_\_\_\_ Addition \_\_\_\_\_ Total Cost \_\_\_\_\_  
 Could They be Secured by Leasing \_\_\_\_\_ Cost \_\_\_\_\_ Benefits \_\_\_\_\_  
 Possible Purchase Sources & Cost \_\_\_\_\_ Preference \_\_\_\_\_  
 Is Bidding to be Used \_\_\_\_\_  
 Possible In-House Source of Idle Equipment \_\_\_\_\_  
 Are Funds Available \_\_\_\_\_ In Budget \_\_\_\_\_ Source \_\_\_\_\_

## REPLACEMENTS:

Items Being Replaced \_\_\_\_\_  
 Date of Acquisition \_\_\_\_\_ Original Book Value \_\_\_\_\_ Depreciation Reserve \_\_\_\_\_  
 Reason for Replacement \_\_\_\_\_  
 Are Old Items Still in Use \_\_\_\_\_ Problems \_\_\_\_\_  
 Use for These Items \_\_\_\_\_  
 Any Trade-in or Resale Value \_\_\_\_\_  
 Other Plans for Disposition \_\_\_\_\_  
 % of Working Time used by Items Replaced \_\_\_\_\_ No. of Users \_\_\_\_\_ Principal User \_\_\_\_\_  
 Will Replacement Items Have Greater Capacity \_\_\_\_\_ How Much \_\_\_\_\_  
 Other Justifications \_\_\_\_\_

## NEW USE AND ADDITION ITEMS

What Are Their Uses \_\_\_\_\_  
 Can They Produce More Profits \_\_\_\_\_ Describe \_\_\_\_\_  
 Other Justifications \_\_\_\_\_  
 Will Special Services, Housing, Safeguarding, Etc. Be Required \_\_\_\_\_ Describe \_\_\_\_\_  
 What Other New Items Will Be Needed For These Items \_\_\_\_\_

Expected Useable Life of Items \_\_\_\_\_ Depreciation Rate \_\_\_\_\_ Account to Charge \_\_\_\_\_  
 Expected % of Worktime In Use \_\_\_\_\_ No. of Users \_\_\_\_\_ Principal User \_\_\_\_\_  
 Other Details \_\_\_\_\_

Prepared By \_\_\_\_\_ Date \_\_\_\_\_ Approved By \_\_\_\_\_ Date \_\_\_\_\_  
 Audited By \_\_\_\_\_ Date \_\_\_\_\_ Reference No. \_\_\_\_\_

FIG. 9

**PURCHASE WORKSHEET - EXPENSE ITEMS**PD No. \_\_\_\_\_ PW  
(orders over \$ \_\_\_\_\_)

Items to be Secured \_\_\_\_\_ Estimated Cost \$ \_\_\_\_\_  
 Why Are They Necessary \_\_\_\_\_  
 Where Will They be Used \_\_\_\_\_  
 Shipping Requirements: Urgency \_\_\_\_\_ Size \_\_\_\_\_ Weight \_\_\_\_\_ Shipper \_\_\_\_\_  
 Possible In House Sources \_\_\_\_\_ Where \_\_\_\_\_ When \_\_\_\_\_ How \_\_\_\_\_  
 Possible Purchase Sources & Cost \_\_\_\_\_  
 Competitive Prices \_\_\_\_\_ Use of Bids \_\_\_\_\_  
 Preferred Source \_\_\_\_\_ -Why \_\_\_\_\_ Cost \_\_\_\_\_  
 Notes: \_\_\_\_\_

**NEW USE ITEMS**

Will orders be repeated \_\_\_\_\_ Est. Use \_\_\_\_\_ Period of Use \_\_\_\_\_ Frequency of Use \_\_\_\_\_  
 Optimum Order Size \_\_\_\_\_ Storage Problems \_\_\_\_\_ Quality Needs \_\_\_\_\_  
 Volume Price Advantage (quantities & Prices) \_\_\_\_\_  
 Related Purchases Necessary \_\_\_\_\_ Cost \_\_\_\_\_  
 Notes: \_\_\_\_\_

**CONTINUING USES**

Stocking Inventory - Description \_\_\_\_\_ Location \_\_\_\_\_ Inventory Turnover \_\_\_\_\_  
 Last Order Date \_\_\_\_\_ Quantity \_\_\_\_\_ Consumption Per \_\_\_\_\_  
 Last Order Source \_\_\_\_\_ Contact \_\_\_\_\_ Price \_\_\_\_\_  
 Substitute Products Available \_\_\_\_\_ Price \_\_\_\_\_  
 Notes: \_\_\_\_\_

**REPLACING EQUIPMENT - EXPENSED**

Items Replaced \_\_\_\_\_ Age \_\_\_\_\_ Still Useable \_\_\_\_\_  
 Reason for Replacement \_\_\_\_\_ Planned Disposition \_\_\_\_\_  
 Notes: \_\_\_\_\_

**FIG. 10**

Prepared by: \_\_\_\_\_ Date \_\_\_\_\_ Approved by \_\_\_\_\_ Date \_\_\_\_\_

**CONTRACT PURCHASE WORKSHEET**  
 (Over \$ \_\_\_\_\_)

 Worksheet for Contract No. \_\_\_\_\_  
 Worksheet for CP order No. \_\_\_\_\_

Name of Vendor \_\_\_\_\_ Address \_\_\_\_\_ Email \_\_\_\_\_  
 Contract: CP file No. \_\_\_\_\_ Products \_\_\_\_\_ See File \_\_\_\_\_  
 Contract Date \_\_\_\_\_ Signed: CO. \_\_\_\_\_ Vendor \_\_\_\_\_  
 Type of Contract \_\_\_\_\_ From \_\_\_\_\_ To \_\_\_\_\_  
 Products Shipped From \_\_\_\_\_ Best Shipping Services \_\_\_\_\_ No. Days. \_\_\_\_\_  
 Basis for Shipping & Handling Charges \_\_\_\_\_  
 Basis for Other Charges \_\_\_\_\_

PURCHASES FOR LAST FOUR QUARTERS		LAST FIVE PURCHASES			NO'S OF UN- FAVORABLE
Ending	Amount	Date	Quantity	Amount	RATINGS
	\$ _____	_____	_____	\$ _____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
This Purchase		_____	_____	_____	_____

**RATINGS OF VENDOR  
FOR THIS PURCHASE**
EXCEL. GOOD FAIR POOR
NOTES

Right: Items NO. \_\_\_\_\_  
 Quantity 1. \_\_\_\_\_  
 Quality 2. \_\_\_\_\_  
 Timing 3. \_\_\_\_\_  
 Product Service 4. \_\_\_\_\_  
 Warranties 5. \_\_\_\_\_  
 Credit Terms 6. \_\_\_\_\_  
 Working Relations 7. \_\_\_\_\_

Our Deficiencies \_\_\_\_\_

Possible Improvements \_\_\_\_\_

Receiver's Name \_\_\_\_\_ Date Received \_\_\_\_\_

Notes on Changes Made: \_\_\_\_\_

(This form serves (1) as a permanent updated guide for new purchases, retrieved from the Vendor's contract file, and (2) as a report on the vendor's performance for the current purchase when reviewed with the CP form at time of receiving items)

**FIG. 11**



ACTION CHANGE REQUEST		ORDER NUMBER:
By: _____		PD _____ PSO _____ Contract _____
Email Contact _____		Requirer: _____
Date _____		
Item(s) Questioned: _____ _____ _____ _____		
Requested Action: _____ _____ _____ _____		
Reason: _____ _____ _____ _____ _____		
Reviewed by: _____	Referred to: _____	
Comments} _____ _____ _____		
Return to _____ Click Here <input type="radio"/>		
Action Taken:	Form of Change Made:	
Order Changed _____	_____	
Order Cancelled _____	_____	
New Order Placed _____	_____	
Delayed to _____	_____	
Other _____	_____	
Approved by: _____	Date: _____	Next Action <input type="radio"/>

FIG. 12

## ONE PAGE PURCHASING SYSTEM

Workflow of Vendor Payment System (for low volume companies)

Action	Location of Action							
	Computer System			BANKS				
	PTA	Treas	Acct.	Pymt. Acct	Vendors	General	Purch	Vendor
Purchasing secures payment data and arranges Payment schedule with vendor							X	X
Purchasing sends data to PTA	X						X	
PTA lists data in Research File	X							
PTA sets 30 day pymt sched for vendor	X							
PTA accumulates all vendor's orders in 30 days	X							
PTA prepares daily Remittance Sheet listing Vendors to be paid each day, with banks, accounts And amounts to be wired								
PTA Emails daily list to Company's bank	X							
Company's bank wires payments same day to Vendors banks					X			
Company's bank inserts payment numbers on Remittance Sheet					X			
Company's bank Emails Remittance Sheet to Co's Treas. Computer with cash report				X				
Co's TC reconciles cash account		X						
Co's TC arranges necessary transfer of cash to Pymt account by electronic transfer		X						
TC puts through computer accounting entries for Charges and credits, including vendors		X						
TC Emails vendor a statement showing payment, with PD and invoice numbers and payment reference		X						
TCA sends vendor's payment reports to PTA	X							

FIG. 13

VENDOR REMITTANCE SHEET TO: \_\_\_\_\_ (our bank) \_\_\_\_\_ Email \_\_\_\_\_

From: \_\_\_\_\_ Email \_\_\_\_\_ Acct. to Charge \_\_\_\_\_

Please wire these payments to the following banks for their depositor accounts on \_\_\_\_\_

BANK	ROUTING NO.	DEPOSITOR	ACCT. NO.	AMOUNT	WIRE NO..
------	-------------	-----------	-----------	--------	-----------

-----

**FIG. 14**

Payment Charges \_\_\_\_\_  
Service Charges \_\_\_\_\_  
Total Chg. A/C \_\_\_\_\_

Completed by:(print) \_\_\_\_\_ (sign) \_\_\_\_\_ Date \_\_\_\_\_

(COMPANY'S NAME)

Email \_\_\_\_\_ Date \_\_\_\_\_

Statement to: \_\_\_\_\_ Email \_\_\_\_\_ Attention \_\_\_\_\_

Today we have deposited \$ \_\_\_\_\_ in your bank account number \_\_\_\_\_

At \_\_\_\_\_ for your invoices, with our orders, listed as follows:

Date Mdse. Received	Your Invoice Number	Our Order Number	Amount	Confirmed
------------------------	------------------------	---------------------	--------	-----------

-----  
**FIG. 15**

Our bank advises us that their wire reference for this deposit is \_\_\_\_\_.

If there is an error in these items, please Email a copy of this statement to the above address, showing the item not verified, with any notes.

## COMPUTER PROGRAMS FOR THE ONE PAGE PURCHASING SYSTEM

The System introduces a one page document to replace:

- A purchase requisition – requesting a purchase order for merchandise needed
- A purchase order – to place an order with a vendor
- A delivery document accompanying shipment, for verifying contents
- A vendor's invoice received by the buyer to make payment

And

- The monthly statement received from the vendor would be eliminated

This document would travel electronically to each action location – being electronically signed at each point when action is completed, or vendor approved by assigning an invoice number on the document, and moved to the next location. Related steps would be initiated by the computer to take other completed orders with the same vendor and make necessary payments and accounting entries, etc. based on items received.

Computer programs to be made part of the system are grouped here as:

- A. Resources
- B. The "One Page" Purchase Tracking and Action System
- C. Vendor Payments
- D. Permanent and Storage Files
- E. Security and auditing
- F. Management Reports

FIG. 16

A. RESOURCES - would include the following information available in the computer.

1. Description of company's purchasing policies and procedures
2. Schedule of authorization limits
3. Accounting for new and retired fixed assets
4. Accounting for expense items
5. List of idle equipment available in the company
6. List of customary vendor sources, etc.
7. Vendors catalogues, prices and shipping data
8. List of shippers
9. Shipping and handling charges
10. List of company contracts
11. Receiving locations
12. Other resources

## B. THE ONE PAGE PURCHASE AND TRACKING SYSTEM

The computer system would have a "Purchasing and Tracking System" to do the following:

1. Provide a data base system to be drawn upon for each new purchase document
2. For each purchase document it would provide:
  - a. A purchase worksheet for backup data supporting the order.
  - b. A copy of the one page order
  - c. A program to have each approver send a copy of the order to the next location.
  - d. A program to have the recipient return the approved copy, updating the preceding base copy (and any action data added)
  - e. A program to set a delivery time schedule with an alarm signal for time failures.
  - f. A program to send an updated copy of the completed stages to storage at a different location.
  - g. A program to read the account numbers from the order for the amounts to be processed into the accounting system when required, showing date of completion and reference data.
  - h. A program to transfer the order data to a statement to vendors
  - i. A program to set up the order document and the purchase worksheet in a permanent active file with number and vendor's identification.
  - j. A program to limit accessibility to these data.

## C. VENDOR PAYMENT PROGRAM – would include the following sub programs.

1. A program to group the orders for each vendor to be paid, listed by order number, vendor "invoice" number, and amount, with a cumulative total.
2. A program to balance the number of payments to be processed daily, from A 30 day period of payments due.
3. A program to select the payments to be scheduled each day.
4. A program to continuously list the specific vendor accounts to be processed on line, showing name, vendor's bank account identification, and amount to be paid.
5. A program for the company's bank to send this list to the company's bank for them to wire payments to the vendors' banks.
6. A program to have this list returned, with payment references.
7. A program to send copy of the vendor's payment statement to vendor.

8. A program to receive a daily bank statement showing previous day's cash activity with reconciliation done on the computer.
9. An accounting program to record the accounts payable and cash transactions, including vendors' accounts.

**D. PERMANENT AND STORAGE FILES PROGRAM -- would include the following sub programs.**

1. Instructions for files systems
2. A program for programs
3. Retentions record schedule
4. Index of permanent file -- by number, vendor and date
5. Index of storage file -- by number, vendor and date
6. Computer file locations
7. Record of search inquiries
8. Record of permanent file restorations
9. Use as a percent of storage capacity

**E. SECURITY AND AUDITING PROGRAM -- would include the following sub programs:**

These programs are designed to find errors and misuse of the existing systems, and recognize deficiencies in the systems. They will be performed by human effort, but assisted by computer programs which will be accessible at appropriate dates and unscheduled timing. Certain situations such as incorrect order numbers or unauthorized documents can be detected by the computer programs, producing an alarm for remedy. Much of the work would be done on a test basis.

1. Control of number system
2. Signals which numbers aren't accounted for.
3. Checking for lack of authorizations
4. Checking for improper changes in order details
5. Checking for existence of justifications.
6. Checking that orders are not padded with excess prices and quantities
7. Checking that merchandise ordered is received and used.
8. Checking that the amounts paid agree with the purchase document
9. Checking for collusion between employees or with vendors.
10. Checking that the amounts paid are reaching the right vendors.
11. Recognizing and preventing hackers attempting to disturb the system and divert funds.

12. Checking competitive opportunities being exercised for selection of vendors.
13. Checking that company policies and practices are being observed.
14. Checking that accounts are properly processed.
15. Checking that the system is functioning correctly with minimum of errors.

## F MANAGEMENT REPORTS FOR COMPUTER PROGRAMMING

Responding to the management objectives of optimum profits and financial position, management information for purchasing centers around measuring performance to achieve; the right item, quantity, quality, price, timing, warranty, credit terms and sources, at the right cost of performing the function of purchasing.

Each of these requirements can be related to specific product needs for evaluation, plus measuring the cost of purchasing.

Programs can be introduced to:

1. List sales products by those which have the highest percent of purchased raw materials of their total cost, showing the percent and dollar size of the material cost, along with unit cost of the materials, comparing prior periods – accompanied by action notes
2. Lists annual purchases showing large dollar items by types of use and organizational use, arrayed by dollar size, - also annual purchases by major vendors - accompanied by action notes.
3. List major purchases by percent increase in unit costs over previous Year – accompanied by action notes.
4. List those groups of items, or large items which represent the largest share of the recent inventory compared with a prior period – accompanied by action notes
5. List those items (by significance) which have reduced in price since last year, with percentage reduction and dollar savings. – accompanied by notes.
6. List those (by significance) which have increased in price since last year, with percentage increase and dollar cost –accompanied by notes.
7. Report the split between purchases for fixed assets and expense, for a



r presentative period, with significant details.

8. Report on purchasing errors for previous quarter, by types, responsibility, and cost. Accompanied by action notes
9. Report on comparative costs of purchasing operations, by type of function and responsibility, with production figures – accompanied by action notes
10. Average number of orders issued daily by the purchasing department
11. Average daily operating cost of the department
12. Average cost per order
13. Number of orders issued per employee each month
14. Number of late deliveries from vendors
15. Percentage of deliveries having errors
16. Number of complaints on resale products
17. Number of complaints from vendors.

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Harold F. Hynes